March 28, 2014
ASX Release

AUSQUEST REGAINS 100% OF PERU COPPER-GOLD PROJECTS

AusQuest Limited (ASX: AQD) advises that it has reached agreement with Cliffs Natural Resources Exploration Inc. (CNRE), a wholly owned subsidiary of Cliffs Natural Resources Inc. (NYSE: CLF) (Paris: CLF), to terminate the Joint Venture Agreement over its IOCG and porphyry copper-gold exploration projects in south-west Peru.

Through the South West Peru IOCG Joint Venture (SWPJV), AusQuest and CNRE had assembled a large portfolio of prospects along the southern coastal belt of Peru with up to eight targets identified for drilling as possible iron-oxide copper-gold (IOCG) and/or porphyry copper targets with the size potential to be of significance to AusQuest.

Following discussions with CNRE regarding their continuation in the SWPJV, it has been agreed that all projects will now revert 100% to AusQuest with CNRE retaining a ‘right of first offer’ for a period of two years, to purchase one or more of the four prospects (Properties of Merit) that had been recommended for drilling under the Joint Venture.

This ‘right of first offer’ is triggered ‘prior to AusQuest offering such Property of Merit to any third party’.

AusQuest is very encouraged by the results obtained to date from its Peruvian projects and plans to continue exploration and evaluation of the large-scale IOCG and/or porphyry copper targets which have been identified so far.

Permitting for drilling is at an advanced stage over three of the Company’s prospects, with clearances expected during the second Quarter of 2014 to allow drilling operations to commence shortly thereafter.

AusQuest looks forward to increasing its exploration efforts over its projects in southern Peru now that the future of the SWPJV has been resolved.

Graeme Drew
Managing Director

COMPETENT PERSON’S STATEMENT

The details contained in this report that pertain to exploration results are based upon information compiled by Mr Graeme Drew, a full-time employee of AusQuest Limited. Mr Drew is a Fellow of the Australasian Institute of Mining and Metallurgy (AUSIMM) and has sufficient experience in the activity which he is undertaking to qualify as a Competent Person as defined in the December 2012 edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves” (JORC Code). Mr Drew consents to the inclusion in the report of the matters based upon his information in the form and context in which it appears.